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Approved by:

Ann Murphy

U.S. Embassy Rome

Prepared by:

Stamatis Sekliziots

Report Highlights:

The 2002/03 citrus forecast shows recovery from weather damage last year. Fresh orange production in 2002/03 is forecast 8% higher than last year. Fresh lemon production in 2001/02 was disproportionately hurt by weather, but it will not recover as readily as farmers opt for replacing trees with tangerines or non-citrus tree crops. Tangerine production should reach 85,000 MT and lemons should reach 100,000 MT in 2002/03.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
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Situation and Outlook-Narrative

Production

The 2002/03 fresh orange production forecast is expected to be close to 1,170,000 MT or 94,000 MT higher than last year's crop, which is estimated at 1,076,000 MT (figure revises that reported in GR 2007). Weather conditions during September 2002 have been characterized by increased and sustained precipitation, which may lead to higher quality fruit and increased crop output. The tangerine production forecast for the 2002/03 season will reach about 85,000 MT while that of lemons is estimated at about 100,000 MT for the same coming period.

Adverse weather conditions during January 2002 were responsible for the poor quality of fresh orange production. Lower quality grades were included in withdrawal amounts compensated from ELGA (a Governmental Agricultural Insurance Organization). As a result of these extremely adverse weather conditions, fresh fruit production data initially were underestimated by both farmer associations and the GOG, hoping that they would receive large compensation payments.

In GR 2007, output estimates were made prior to an assessment from GOG responsible authorities. Fruit trees turned out to be much more tolerant than expected and the final fruit harvest was higher by 276,000 MT of oranges, 51,000 MT of lemons and 27,000 MT of tangerines, over those figures previously reported.

Although final production in 2001/2002 was higher than early estimates this year, quality was poor for all citrus fruits.

Lower quality fruit not suitable for fresh consumption and/or export, was taken for processing with much lower yields. As a result, orange juice concentrate production (60 Brix basis) during the 2001/02 season was revised downwards to 14,500 MT. Because bad weather has affected quality of fresh fruit, large amounts were channeled to processing instead of fresh usage. Due to low content of orange juice (single strength yields), the OJC production this season was lower compared to that a year earlier, although more fruit was delivered to processing. Yields of OJC were reported to fluctuate between 22-23 kgr of fresh oranges needed to produce 1 kgr of juice, while in some areas in the South of Greece, the average yield was at 17-18 kgr of fresh fruit to produce 1 kgr of orange juice. Yields fluctuated widely by location, variety and degree of weather damage.

Fresh lemon production was mostly affected by extreme weather conditions through January 2002. Apart from weather damage, lemon cultivation showed slight abandonment mostly due to low prices received by farmers and competition from other countries such as Turkey. According to field contacts a number of lemon trees have been uprooted and replaced mainly by apricots and/or grapes. Farmers are more satisfied growing apricots due to better prices for both the domestic and export markets. Turkish lemons are produced at much lower cost due to cheap labor. Reportedly, the packaging and appearance of third country lemons is superior and well accepted by the consumer.

For the 2001/02-season lemon juice was revised to be at 600 MT. The average yield for lemon juice is reported at 16-17 kgr fresh lemons, needed to produce 1 kgr of lemon juice.

According to sources in the field, contrary to lemon production, tangerine production was less affected and as a crop show a good prospect for the future, provided that tree replacement will be properly restructured with new varieties, mostly of late harvest varieties.

Trade

Bad weather has also affected exporting activity, which was delayed this year. Fruit was sold at lower prices in the international markets compared to previous years. Valencia being a late variety was affected the most by weather conditions which caused a significant delay in fruit development and depressed exports. Valencias in Greece are grown in warm pockets in Southern regions. Due to this delay in maturing and exporting there were large amounts of Valencia oranges left over (not sold), which were exhausted during the summer and harvested at a lower quality unsuitable for fresh consumption or exports, with a large proportion finally channeled to processors.

The introduction of the Euro has affected trade activity in citrus. The rates of exchange for dollars and euros has better facilitated imports, compared to export activities.

Exports of oranges during the MY 2001/02 totaled 282,000 MT, tangerines 27,000 MT and lemons 8,000 MT as compared to 371,000 MT, 34,000 MT and 30,000 MT respectively, a year earlier.

As stated in past reports, Greece imports Brazilian OJC (66 Brix) in significant quantities, which is used by Greek soft drink producers. Greek concentrated orange juice is of maximum 60 Brix. The Brazilian price for OJC (66 Brix) reached 1,100-1,200 \$ US per MT. The average yield of Brazilian OJC for 2001/02 season, was at 8 kgr of fresh oranges to produce 1 kgr OJC, compared to 17-18 kgr of oranges to produce 1 kgr Greek OJC of 60 Brix. The average yield for Valencias in 2001/02, reached 15.43 kgr of fresh oranges to produce 1 kgr OJC.

Greek OJC is facing stiff competition from other products, mostly Brazilian, in third country markets such as Albania and Bulgaria. Greek exports to these countries are overburdened with duties compared to duty free Brazilian imports.

The export of fresh oranges to Eastern Europe is expected to become more profitable for Greece as further development of their economies proceeds as it has in recent years.

The Ex-factory price for Greek OJC (60 Brix) is reported to be at 1,232 Euro/MT.

Varieties suitable for producing OJC in Greece are the Navel, Navelina, Valencia and Marylin. Navel and Marylin varieties produce bitter single strength, which require debittering. Most plants in Greece have suitable processing equipment for this procedure due to the large demand for orange juice of low acidity, which must range between 0.6-0.9%.

According to field sources in Laconia (a citrus producing area in the south of Greece), fresh producers sell citrus with great profit margins and are those who hold license to sell their products in the open market in Athens and other cities. In this case, farmers benefit from the absence of the wholesalers. Districts located far from Athens such as Laconia, are less favored. Others such as Argos and Nauplio, have a location advantage when they attempt to promote and reach large open markets in urban centers.

Policy

The EU subsidy paid to growers for oranges delivered to processors during the 2001/02 season was set at 0.11 euros/kgr and the price paid to growers from the processors have ranged from 0.02 euros/kgr to 0.03euros/kgr,

according to variety and quality, provided that contracts were signed and valid for one year or more.

For annual contracts, the price paid to growers was at 0.006-0.008 euros/kg, less than those under multi-year contracts (usually valid for 5 years).

Currently farmers are getting prepared for the coming season and report their output forecasts to processors, for the amounts they are planning to deliver for juices. These reports are required by manufacturers in order to prepare their own campaign and plant operations, as well as determine EU subsidy payments. This procedure is directed by relevant EU Regulation.

In cases where farmers deliver smaller amounts from what they have initially committed, they end up paying penalties because they have broken their agreement. Farmer groups usually take this risk and are not always technically supported in determining precise forecasting of harvested quantities.

National quotas for processed oranges, lemons and tangerines and withdrawal levels according to EU Reg. No 2200/96, 2202/96 and 2699/2000 are mentioned in GR 2007 and GR 1023.

The Ministry of Agriculture has recently inaugurated an ambitious project for registering citrus and other crops covered by the Common Market Organization, in an attempt to produce detailed land and cover maps by region and to more strictly control any land use changes taking place.

In some areas the project is already completed and land controls are possible. Aerial photographs were utilized and GIS (Geographical Information Systems) is in use to observe changes. The system is directly connected to the subsidy payments to farmers (either price supports or withdrawals).

Consumption

Domestic fresh consumption data shown in the attached PS&D tables include farm use, losses (waste) as well as withdrawal tonnages, in addition to fresh sales. The analysis of these figures for oranges, tangerines and lemons for MYs 2000/01, 2001/02 and an estimate for 2002/03 in MT are as follows:

	2000/01	2001/02	2002/03
Oranges (MT)			
Fresh exports	370,896	281,970	370,000
Processing	279,159	292,000	350,000
Losses and Withdrawals	86,086	240,100	90,000
Fresh market	240,334	263,000	361,000
Tangerines (MT)			

Fresh exports	34,000	27,000	35,000
Processing	2,000	1,000	2,000
Losses and Withdrawals	4,774	11,700	5,000
Fresh market	45,226	27,300	43,000
Lemons (MT)			
Fresh exports	30,000	8,000	7,000
Processing	14,000	10,000	12,000
Losses and Withdrawals	4,774	11,700	5,000
Fresh Market	92,226	87,300	86,000

The indicative average wholesale prices for the 200/01-year for oranges, tangerines and lemons in the Athens Central Market fluctuated as follows:

	Oct.-Nov.01	Dec 01-Mar 02	Apr-May 02	June-July 02	Aug-Oct 02 Euro per kilogram
Oranges					
Navels		0.5-0.29	0.29-0.59	0.29	0.53
Navel from Crete			0.59		
Valencia	0.73-1.03		0.44	0.44	0.47-0.50
Tangerines					
Clementines	0.73	0.53-0.73			0.88
Common		0.59-0.67			
Satsuma	0.44-0.59	0.29-0.32			0.73
Lemons					
Domestic	0.38-0.53	0.38-0.41	0.41-0.65	0.65-0.70	0.47-0.70
Imported	0.59-0.67	0.44-0.47	0.47-0.85	0.85	0.65-0.82

Indicative farm gate prices for oranges, tangerines and lemons for 2001/02 season were approximately as follows:

Oranges	Marketing Season	Price (euro/kgr))
Valencia	March-October	0.18
Marylin	November-March	0.18-0.29
Navelines	November-February	0.18-0.29
Tangerines		
Clementines		0.20-0.35
Ortantic	February-April	0.26-0.35
Lemons	November-March	0.18-0.20

PS&D Table, Fresh Oranges

PSD Table						
Country	Greece					
Commodity	Fresh Oranges				(HECTARES)(1000 TREES)(1000 MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		09/2000		09/2001		09/2002
Area Planted	39400	39400	39650	39650	0	39650
Area Harvested	39100	39100	39000	39000	0	39000
Bearing Trees	17200	17200	17200	17200	0	17200
Non-Bearing Trees	400	400	260	260	0	260
TOTAL No. Of Trees	17600	17600	17460	17460	0	17460
Production	1100	976	800	1076	0	1170
Imports	0	0	3	1	0	1
TOTAL SUPPLY	1100	976	803	1077	0	1171
Exports	305	371	246	282	0	370
Fresh Dom. Consumption	417	326	280	503	0	451
Processing	378	279	277	292	0	350
TOTAL DISTRIBUTION	1100	976	803	1077	0	1171

Export Trade Matrix, Fresh Oranges

Export Trade Matrix			
Country	Greece		
Commodity	Fresh Oranges		
Time period		Units:	MT
Exports for:	2000		2001
U.S.		U.S.	
Others		Others	
Netherlands	5039	Netherlands	3018
Germany	55289	Germany	35152
Austria	7989	Austria	6033
Sweden	9830	Sweden	5493
UK	4125	UK	1980
Other EU	9078	Other EU	11185
>Sub Total EU	91350	>Sub Total EU	62861
Hungary	40076	Hungary	33357
Romania	34300	Romania	27765
Bulgaria	22820	Bulgaria	14464
Total for Others	188546	Total for others	138447
Others not Listed	182323	Others not listed	143523
Grand Total	370869	Grand Total	281970

Import Trade Matrix, Fresh Oranges

Import Trade Matrix			
Country	Greece		
Commodity	Fresh Oranges		
Time period		Units:	MT
Imports for:	2000		2001
U.S.		U.S.	
Others		Others	
Italy	117	Italy	295
		UK	407
		Germany	2127
Other Eu	201	Other EU	504
>Sub Total	318	>Sub Total EU	3333
Argentina	658	Argentina	4144
Uruguay	150	Uruguay	201
		S. Africa	1745
		Brazil	1701
Total for Others	1126		11124
Others not Listed	39		472
Grand Total	1165		11596

PS&D Table, Juice Orange

PSD Table						
Country	Greece				Degrees Brix	
Commodity	Juice, Orange				(MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		09/2000		09/2001		09/2002
Deliv. To Processors	378	279	277	292	0	350
Beginning Stocks	3044	3044	5604	1044	4904	4544
Production	21000	15500	13800	14500	0	19450
Imports	8000	8000	12000	18000	0	8500
TOTAL SUPPLY	32044	26544	31404	33544	4904	32494
Exports	8000	8000	7500	9500	0	10000
Domestic Consumption	18440	17500	19000	19500	0	19000
Ending Stocks	5604	1044	4904	4544	0	3494
TOTAL DISTRIBUTION	32044	26544	31404	33544	0	32494

Export Trade Matrix, Juice Orange

Export Trade Matrix			
Country	Greece		
Commodity	Juice, Orange		
Time period		Units:	MT
Exports for:	2000		2001
U.S.	7	U.S.	
Others		Others	
Holland	3398	Holland	2383
Germany	1592	Germany	179
Spain	523	Spain	338
UK	1134	UK	571
Other EU	240	Other EU	105
>Sub Total EU	6887	>Sub Total EU	3576
Bulgaria	198	Bulgaria	216
FYROM	634	FYROM	148
Albania	252	Albania	339
Total for Others	7971	Total for Others	4279
Others not Listed	658	Others not Listed	2351
Grand Total	8636	Grand Total	6630

Import Trade Matrix, Juice Orange

Import Trade Matrix			
Country	Greece		
Commodity	Juice, Orange		
Time period		Units:	MT
Imports for:	2000		2001
U.S.	1005	U.S.	1431
Others		Others	
Holland	5484	Holland	3465
Germany	3720	Germany	5621
Spain	4475	Spain	843
France	1160	France	1739
Other EU	261	Other EU	816
>Sub Total EU	15100	>Sub Total EU	12484
Bulgaria	2597	Bulgaria	1589
Cyprus	907	Cyprus	1206
Brazil	132	Brazil	48
Total for Others	18736	Total for Others	15327
Others not Listed	31	Others not Listed	3562
Grand Total	19772	Grand Total	20320

PS&D Table, Fresh Tangerines

PSD Table						
Country	Greece					
Commodity	Fresh Tangerines				(HECTARES)(100 0 TREES)(1000 MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		09/2000		09/2001		09/2002
Area Planted	6950	6950	7000	7000	0	7000
Area Harvested	6550	6550	6800	6800	0	6850
Bearing Trees	3050	3050	3170	3170	0	3200
Non-Bearing Trees	150	150	90	90	0	65
TOTAL No. Of Trees	3200	3200	3260	3260	0	3265
Production	100	86	40	67	0	85
Imports	0	0	0	0	0	0
TOTAL SUPPLY	100	86	40	67	0	85
Exports	34	34	10	27	0	35
Fresh Dom. Consumption	61	50	28	39	0	48
Processing	5	2	2	1	0	2
TOTAL DISTRIBUTION	100	86	40	67	0	85

Export Trade Matrix, Fresh Tangerines

Export Trade Matrix			
Country	Greece		
Commodity	Fresh Tangerines		
Time period		Units:	MT
Exports for:	2000		2001
U.S.		U.S.	
Others		Others	
Italy	34	Austria	282
Germany	8224	Germany	7126
		Holland	936
Other EU	1119	Other EU	215
>Sub Total EU	9377	>Sub Total EU	8559
Bulgaria	5166	Bulgaria	2217
Fyrom	89	Fyrom	244
Albania	3283	Albania	3426
Serbia	2261	Serbia	3078
Poland	3336	Poland	4012
Total for Others	23512	Total for others	21536
Others not Listed	10268	Others not Listed	5157
Grand Total	33780	Grand Total	26693

Import Trade Matrix, Fresh Tangerines

Import Trade Matrix			
Country	Greece		
Commodity	Fresh Tangerines		
Time period		Units:	MT
Imports for:	2000		2001
U.S.		U.S.	
Others		Others	
Italy	17	Italy	30
Holland	19	Germany	232
Other EU	6	Holland	33
>Sub Total EU	42	Other EU	2
Argentina	163	>Sub Total EU	297
		Argentina	4
		Turkey	226
Total for Others	205	Total for others	527
Others not Listed	3	Others not listed	18
Grand Total	208	Grand Total	545

PS&D Table, Fresh Lemons

PSD Table						
Country	Greece					
Commodity	Fresh Lemons				(HECTARES)(1000 TREES)(1000 MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		09/2000		09/2001		09/2002
Area Planted	12500	12500	12600	12000	0	12000
Area Harvested	12400	12400	12500	12000	0	12000
Bearing Trees	4200	4200	4250	4200	0	4200
Non-Bearing Trees	70	70	50	35	0	35
TOTAL No. Of Trees	4270	4270	4300	4235	0	4235
Production	130	130	57	108	0	100
Imports	11	11	35	10	0	10
TOTAL SUPPLY	141	141	92	118	0	110
Exports	30	30	10	8	0	7
Fresh Dom. Consumption	97	97	74	99	0	91
Processing	14	14	8	11	0	12
TOTAL DISTRIBUTION	141	141	92	118	0	110

Export Trade Matrix, Fresh Lemons

Export Trade Matrix			
Country	Greece		
Commodity	Fresh Lemons		
Time period		Units:	MT
Exports for:	2000		2001
U.S.		U.S.	
Others		Others	
Italy	132	Germany	310
Germany	1105	Austria	20
Austria	313		
Other EU	153	Other EU	3
>Sub Total EU	1703	>Sub Total EU	333
Bulgaria	6074	Bulgaria	1993
Fyrom	2273	Romania	874
Romania	6003	Serbia	2520
Serbia	5168		
Ukraine	2500		
Total for Others	23721	Total for Others	5720
Others not Listed	8697	Others not Listed	2526
Grand Total	32418	Grand Total	8246

Import Trade Matrix, Fresh Lemons

Import Trade Matrix			
Country	Greece		
Commodity	Fresh Lemons		
Time period		Units:	MT
Imports for:	2000		2001
U.S.		U.S.	
Others		Others	
Italy	1207	Italy	496
Spain	1375	Germany	123
Holland	711	Holland	97
Other EU	299	Other EU	72
>Sub Total EU	3592	>Sub Total EU	788
Argentina	9225	Argentina	5264
		S. Africa	127
		Turkey	3098
Total for Others	12817	Total for Others	9277
Others not Listed	21	Others not Listed	86
Grand Total	12838	Grand Total	9363

PS&D Table, Juice Lemons

PSD Table						
Country	Greece					
Commodity	Juice, Lemon				(MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		09/2000		09/2001		09/2002
Deliv. To Processors	14000	14000	8000	10000	0	12000
Beginning Stocks	788	788	278	278	0	77
Production	840	840	500	600	0	800
Imports	50	50	300	300	0	320
TOTAL SUPPLY	1678	1678	1078	1178	0	1197
Exports	0	0	0	1	0	2
Domestic Consumption	1400	1400	1078	1100	0	1110
Ending Stocks	278	278	0	77	0	85
TOTAL DISTRIBUTION	1678	1678	1078	1178	0	1197

Exchange Rates: Jan-October: \$1.00=1.075euros

